

# SENATE, No. 4077

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 8, 2021

**Sponsored by:**

**Senator PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Senator LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Requires EDA to develop and implement electric school bus pilot program; provides \$15 million per year to EDA to provide grants for this purpose.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 11/15/2021)

1 AN ACT establishing an electric school bus pilot program,  
2 supplementing Title 34 of the Revised Statutes, and amending  
3 P.L.1999, c.23.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. (New section) a. No later than six months after the  
9 effective date of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill), the New Jersey Economic Development  
11 Authority, hereinafter, “authority,” in consultation with the Board  
12 of Public Utilities, the Department of Transportation, the  
13 Department of Education, the Department of Environmental  
14 Protection, and the New Jersey Motor Vehicle Commission, shall  
15 develop and implement a three-year “Electric School Bus Pilot  
16 Program” to determine the operational reliability and cost  
17 effectiveness of replacing diesel-powered school buses with electric  
18 school buses for the daily transportation of students.

19 b. On or after the date of implementation of the pilot program  
20 developed pursuant to subsection a. of this section, and once each  
21 year for the next two years thereafter, the authority, in consultation  
22 with the Department of Education and the Department of  
23 Environmental Protection, shall select for participation in the pilot  
24 program no less than six school districts or school bus contractors  
25 that operate school buses, as described in section 1 of P.L.1996,  
26 c.96 (C.39:3B-1.1), so that during the third year of the pilot  
27 program, no less than a total of 18 school districts or school bus  
28 contractors shall have been selected for participation in the pilot  
29 program amongst the northern, central, and southern regions of the  
30 State. In each year, at least one of the school districts or school bus  
31 contractors selected by the authority shall be located in a “low-  
32 income, urban, or environmental justice community” as defined in  
33 section 2 of P.L.2019, c.362 (C.48:25-2). The authority shall design  
34 a transparent outreach and application process to facilitate the  
35 selection of school districts and school bus contractors.

36 c. (1) Under the pilot program, the authority shall award grants  
37 to school districts or school bus contractors selected to participate  
38 in the pilot program to purchase or lease electric school buses and  
39 to purchase or lease and install electric school bus charging  
40 infrastructure in coordination with any State department, board,  
41 bureau, commission, or agency as necessary. Pursuant to any  
42 outright purchase or lease arrangement entered into by a school  
43 district or school bus contractor participating in the pilot program,  
44 an electric school bus and charging infrastructure vendor purchase

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 or lease arrangement shall include, at a minimum, the following:

2 (a) an electric school bus having a minimum range of 110 miles  
3 per full charge and an on-board telematics monitoring system with  
4 external Internet interface;

5 (b) an electric school bus and charging infrastructure, as  
6 appropriate, having “vehicle-to-grid” and “vehicle-to-building”  
7 electric vehicle charging capability, and any associated equipment  
8 and technology to meet that capability;

9 (c) appropriate training for bus maintenance personnel, bus  
10 drivers, and bus inspectors; and

11 (d) electric school bus and charging infrastructure shop manuals  
12 and wiring schematics for troubleshooting and a complete list of  
13 component parts.

14 (2) Monies for the “Electric School Bus Pilot Program” shall be  
15 used by the authority to provide grants, pursuant to this subsection,  
16 in the amount of \$15,000,000 per year, for a total of \$45,000,000  
17 over the three-year period. The authority may use available monies  
18 to provide grants, pursuant to this subsection, singly or in  
19 combination, from the following sources: societal benefits charge  
20 revenues received pursuant to section 12 of P.L.1999, c.23 (C.48:3-  
21 60); the Plug-in Electric Vehicle Incentive Fund established  
22 pursuant to section 7 of P.L.2019, c.362 (C.48:25-7); or the “Global  
23 Warming Solutions Fund” established pursuant to section 6 of  
24 P.L.2007, c.340 (C.26:2C-50).

25 d. The school districts or school bus contractors selected to  
26 participate in the pilot program shall submit quarterly reports to the  
27 authority detailing the cost to operate the electric school buses,  
28 including electric school bus maintenance records and transponder  
29 data, and details of any reliability issues related to the operation of  
30 the electric school buses.

31 e. (1) The authority shall establish a committee, chaired by a  
32 representative of the authority, which also includes a representative  
33 of the Board of Public Utilities, the Department of Transportation,  
34 the Department of Education, the Department of Environmental  
35 Protection, and the New Jersey Motor Vehicle Commission. The  
36 committee shall meet monthly to review the quarterly reports and  
37 recommend solutions to any issue raised in a quarterly report  
38 submitted by a pilot program participant. The authority shall  
39 collect any additional information and data necessary to complete  
40 any report required to be submitted to the Governor and Legislature  
41 pursuant to subsection f. of this section.

42 (2) The committee shall require a recipient of any grant under  
43 any State agency-administered program for the provision of an  
44 electric school bus and electric school bus charging infrastructure  
45 prior to the effective date of P.L. , c. (C. ) (pending before  
46 the Legislature as this bill) to submit any additional information and  
47 data to the committee to compliment any data received by the

1 committee from pilot program participants pursuant to this  
2 subsection.

3 f. The authority, in collaboration with the Board of Public  
4 Utilities, the Department of Transportation, the Department of  
5 Education, the Department of Environmental Protection, and the  
6 New Jersey Motor Vehicle Commission, shall publish and submit  
7 an “Electric School Bus Pilot Program” report to the Governor and,  
8 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the  
9 Legislature. The initial report shall be submitted within 14 months  
10 after the effective date of P.L. , c. (C. ) (pending before the  
11 Legislature as this bill) and every eight months thereafter  
12 throughout the duration of the pilot program.

13 Each submitted report shall include:

14 (1) a description and comprehensive review of the pilot  
15 program, including but not limited to, an evaluation of the pilot  
16 program’s effectiveness;

17 (2) a summary description of all grants and loans used for the  
18 purchase or lease of electric school buses from any State program,  
19 the names of those recipients, the amount of funding each State  
20 program recipient received, and the current status of the funds  
21 provided to each recipient;

22 (3) an analysis of the data received from each pilot program  
23 grantee and the steps taken to fix problems that have been identified  
24 by the analysis provided by the grantee;

25 (4) an analysis of the operational reliability and cost  
26 effectiveness of the use of electric school buses and charging  
27 infrastructure by each grantee;

28 (5) an analysis of the potential environmental benefits of electric  
29 school buses and charging infrastructure;

30 (6) any improvements in the design or operation of electric  
31 school buses and charging infrastructure that may be needed to  
32 make the buses and charging infrastructure safer, more economical  
33 or environmentally advantageous;

34 (7) an analysis of the potential costs and benefits of using  
35 electric school bus batteries for storing power to be returned to the  
36 electric grid or to school buildings during periods of peak electric  
37 power demand;

38 (8) a description of the vendor management system and the  
39 cross-vendor comparison used to assess reliability and costs  
40 between the different vendors supplying electric school buses and  
41 charging infrastructure; and

42 (9) an analysis of any additional external changes that the use of  
43 electric school buses and charging infrastructure may require  
44 regarding electric service rate schedules, school bus inspection  
45 standards, or any other major considerations.

46 In addition to the information included pursuant to paragraphs  
47 (1) through (9) of this subsection, the final report shall include a  
48 recommendation of how to make the pilot program permanent by

1 expanding the program Statewide through the establishment of  
2 grant and loan programs to provide assistance to school districts and  
3 school bus contractors for the replacement of their bus fleets as  
4 school buses come to the end of their legal life cycles.

5 g. The authority, in consultation with the Board of Public  
6 Utilities, the Commissioner of Transportation, the Commissioner of  
7 Education, the Department of Environmental Protection, and the  
8 Chief Administrator of the New Jersey Motor Vehicle Commission  
9 shall, pursuant to the "Administrative Procedure Act," P.L.1968,  
10 c.410 (C.52:14B-1 et seq.), promulgate rules and regulations to  
11 effectuate the purposes of P.L. , c. (C. ) (pending before the  
12 Legislature as this bill). The rules and regulations shall include, but  
13 not be limited to, the collection and reporting of information to the  
14 authority, pursuant to subsections d. through f. of this section, as  
15 determined by the authority.

16

17 2. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read  
18 as follows:

19 12. a. Simultaneously with the starting date for the  
20 implementation of retail choice as determined by the board pursuant  
21 to subsection a. of section 5 of P.L.1999, c.23 (C.48:3-53), the  
22 board shall permit each electric public utility and gas public utility  
23 to recover some or all of the following costs through a societal  
24 benefits charge that shall be collected as a non-bypassable charge  
25 imposed on all electric public utility customers and gas public  
26 utility customers, as appropriate:

27 (1) The costs for the social programs for which rate recovery  
28 was approved by the board prior to April 30, 1997. For the purpose  
29 of establishing initial unbundled rates pursuant to section 4 of  
30 P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall be set  
31 to recover the same level of social program costs as is being  
32 collected in the bundled rates of the electric public utility on the  
33 effective date of P.L.1999, c.23 (C.48:3-49 et al.). The board may  
34 subsequently order, pursuant to its rules and regulations, an increase  
35 or decrease in the societal benefits charge to reflect changes in the  
36 costs to the utility of administering existing social programs.  
37 Nothing in P.L.1999, c.23 (C.48:3-49 et al.) shall be construed to  
38 abolish or change any social program required by statute or board  
39 order or rule or regulation to be provided by an electric public  
40 utility. Any such social program shall continue to be provided by  
41 the utility until otherwise provided by law, unless the board  
42 determines that it is no longer appropriate for the electric public  
43 utility to provide the program, or the board chooses to modify the  
44 program;

45 (2) Nuclear plant decommissioning costs;

46 (3) The costs of demand side management programs that were  
47 approved by the board pursuant to its demand side management  
48 regulations prior to April 30, 1997. For the purpose of establishing

1 initial unbundled rates pursuant to section 4 of P.L.1999, c.23  
2 (C.48:3-52), the societal benefits charge shall be set to recover the  
3 same level of demand side management program costs as is being  
4 collected in the bundled rates of the electric public utility on the  
5 effective date of P.L.1999, c.23 (C.48:3-49 et al.). Within four  
6 months of the effective date of P.L.1999, c.23 (C.48:3-49 et al.),  
7 and every four years thereafter, the board shall initiate a proceeding  
8 and cause to be undertaken a comprehensive resource analysis of  
9 energy programs, and within eight months of initiating such  
10 proceeding and after notice, provision of the opportunity for public  
11 comment, and public hearing, the board, in consultation with the  
12 Department of Environmental Protection, shall determine the  
13 appropriate level of funding for energy efficiency , plug-in electric  
14 vehicles and plug-in electric vehicle charging infrastructure, and  
15 Class I renewable energy programs that provide environmental  
16 benefits above and beyond those provided by standard offer or  
17 similar programs in effect as of the effective date of P.L.1999, c.23  
18 (C.48:3-49 et al.); provided that the funding for such programs be  
19 no less than 50 percent of the total Statewide amount being  
20 collected in electric and gas public utility rates for demand side  
21 management programs on the effective date of P.L.1999, c.23  
22 (C.48:3-49 et al.) for an initial period of four years from the  
23 issuance of the first comprehensive resource analysis following the  
24 effective date of P.L.1999, c.23 (C.48:3-49 et al.), and provided  
25 that 25 percent of this amount shall be used to provide funding for  
26 Class I renewable energy projects in the State. In each of the  
27 following fifth through eighth years, the Statewide funding for such  
28 programs shall be no less than 50 percent of the total Statewide  
29 amount being collected in electric and gas public utility rates for  
30 demand side management programs on the effective date of  
31 P.L.1999, c.23 (C.48:3-49 et al.), except that as additional funds are  
32 made available as a result of the expiration of past standard offer or  
33 similar commitments, the minimum amount of funding for such  
34 programs shall increase by an additional amount equal to 50 percent  
35 of the additional funds made available, until the minimum amount  
36 of funding dedicated to such programs reaches \$140,000,000 total.  
37 After the eighth year the board shall make a determination as to the  
38 appropriate level of funding for these programs. Such programs  
39 shall include a program to provide financial incentives for the  
40 installation of Class I renewable energy projects in the State, and  
41 the board, in consultation with the Department of Environmental  
42 Protection, shall determine the level and total amount of such  
43 incentives as well as the renewable technologies eligible for such  
44 incentives which shall include, at a minimum, photovoltaic, wind,  
45 and fuel cells. The board shall simultaneously determine, as a result  
46 of the comprehensive resource analysis, the programs to be funded  
47 by the societal benefits charge, the level of cost recovery and  
48 performance incentives for old and new programs and whether the

1 recovery of demand side management programs' costs currently  
2 approved by the board may be reduced or extended over a longer  
3 period of time. The board shall make these determinations taking  
4 into consideration existing market barriers and environmental  
5 benefits, with the objective of transforming markets, capturing lost  
6 opportunities, making energy services more affordable for low  
7 income customers and eliminating subsidies for programs that can  
8 be delivered in the marketplace without electric public utility and  
9 gas public utility customer funding;

10 (4) Manufactured gas plant remediation costs, which shall be  
11 determined initially in a manner consistent with mechanisms in the  
12 remediation adjustment clauses for the electric public utility and gas  
13 public utility adopted by the board; **[and]**

14 (5) The cost, of consumer education, as determined by the  
15 board, which shall be in an amount that, together with the consumer  
16 education surcharge imposed on electric power supplier license fees  
17 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-  
18 78) and the consumer education surcharge imposed on gas supplier  
19 license fees pursuant to subsection g. of section 30 of P.L.1999,  
20 c.23 (C.48:3-79), shall be sufficient to fund the consumer education  
21 program established pursuant to section 36 of P.L.1999, c.23  
22 (C.48:3-85); and

23 (6) No later than six months after the effective date of P.L. ,  
24 c. (C. ) (pending before the Legislature as this bill), a portion  
25 of the costs of the "Electric School Bus Pilot Program"  
26 administered by the New Jersey Economic Development Authority,  
27 for the purposes provided in section 1 of P.L. , c. (C. )  
28 (pending before the Legislature as this bill).

29 b. There is established in the Board of Public Utilities a  
30 nonlapsing fund to be known as the "Universal Service Fund." The  
31 board shall determine: the level of funding and the appropriate  
32 administration of the fund; the purposes and programs to be funded  
33 with monies from the fund; which social programs shall be provided  
34 by an electric public utility as part of the provision of its regulated  
35 services which provide a public benefit; whether the funds  
36 appropriated to fund the "Lifeline Credit Program" established  
37 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'  
38 Lifeline Assistance Program" established pursuant to P.L.1981,  
39 c.210 **[(C.48:2-29.31 et seq.)]** (C.48:2-29.30 et seq.), the funds  
40 received pursuant to the Low Income Home Energy Assistance  
41 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds  
42 collected by electric and **[natural]** gas public utilities, as authorized  
43 by the board, to offset uncollectible electricity and natural gas bills  
44 should be deposited in the fund; and whether new charges should be  
45 imposed to fund new or expanded social programs.

46 (cf: P.L.2019, c.362, s.13)

1       3. This act shall take effect immediately.

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3

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#### STATEMENT

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6       This bill requires the New Jersey Economic Development  
7 Authority (EDA), in consultation with the Board of Public Utilities  
8 (BPU), the Department of Transportation (DOT), the Department of  
9 Education (DOE), the Department of Environmental Protection  
10 (DEP), and the New Jersey Motor Vehicle Commission (MVC), to  
11 develop and implement, a three-year “Electric School Bus Pilot  
12 Program” (pilot program). The purpose of the pilot program is to  
13 determine the operational reliability and cost effectiveness of  
14 replacing diesel-powered school buses with electric school buses  
15 for daily transportation of students.

16       The bill requires the EDA, in consultation with the DOE and  
17 DEP, to select no less than six school districts (districts) or school  
18 bus contractors (bus contractors) annually for participation in the  
19 pilot program, so that during the third year of the pilot program, no  
20 less than a total of 18 school districts or school bus contractors are  
21 selected for participation in the pilot program amongst the northern,  
22 central, and southern regions of the State. At least one of the  
23 districts or bus contractors annually selected is to be located in a  
24 “low-income, urban, or environmental justice community” as  
25 defined pursuant to law. The EDA is to design a transparent  
26 outreach and application process to facilitate the selection of  
27 districts and bus contractors.

28       The EDA is to award grants to districts or bus contractors  
29 selected to participate in the pilot program to purchase or lease  
30 electric school buses and to purchase or lease and install electric  
31 school bus charging infrastructure. An electric school bus and  
32 charging infrastructure vendor purchase or lease arrangement is to  
33 include certain provisions as described in the bill. Under the bill,  
34 \$45 million is made available for grants provided under the pilot  
35 program. The EDA is to provide \$15 million in grants for each year  
36 of the three-year pilot program. The EDA may use available  
37 monies to provide grants from the following three sources: the  
38 societal benefits charge (SBC) revenues, the Plug-in Electric  
39 Vehicle Incentive Fund, or the “Global Warming Solutions Fund.”

40       The bill requires the districts or bus contractors selected to  
41 participate in the pilot program to submit quarterly reports to the  
42 EDA detailing the cost to operate electric school buses, including  
43 electric school bus maintenance records and transponder data, and  
44 details of any reliability issues related to the operation of the buses.  
45 The EDA is to establish a committee, chaired by a representative of  
46 the EDA, which also includes a representative of the BPU, DOT,  
47 DOE, DEP, and MVC. The committee is to meet monthly to review  
48 the quarterly reports and recommend solutions to any issue raised in

1 a quarterly report submitted by a pilot program participant. The  
2 committee is to require a recipient of any grant under any State  
3 agency-administered program for the provision of an electric school  
4 bus and electric school bus charging infrastructure prior to the  
5 effective date of the bill to submit any additional information and  
6 data to the committee to compliment any data received by the  
7 committee from pilot program participants.

8 The bill requires the EDA, in collaboration with the BPU, DOT,  
9 DOE, DEP, and MVC, to submit reports to the Governor and  
10 Legislature within 14 months after the effective date of the bill and  
11 every eight months thereafter throughout the duration of the pilot  
12 program. The reports are to include certain information as described  
13 in the bill.

14 The EDA, in consultation with the BPU, DOT, DOE, DEP, and  
15 MVC, is to promulgate rules and regulations to effectuate the  
16 purposes of the bill, including the collection and reporting of  
17 information included in the quarterly reports to be submitted to the  
18 EDA.